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PORCELAIN-ON-STEEL COOKING WARE FROM MEXICO, THE PEOPLE'S REPUBLIC OF CHINA, AND TAIWAN

Determinations of the Commission in investigations Nos. 701-TA-265 and 266 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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Determinations of the Commission in investigations Nos. 731-TA-297, 298, and 299 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 701-TA-265-266 (Preliminary)
and 731-TA-297-99 (Preliminary)

PORCELAIN-ON-STEEL COOKING WARE FROM MEXICO, THE PEOPLE'S REPUBLIC OF CHINA, and TAIWAN

Determination

On the basis of the record 1/ developed in the subject investigations, the Commission determines, 2/ pursuant to section 703(a) of the Tariff Act of 1930, that there is a reasonable indication that industries in the United States are materially injured by reason of imports from Mexico and Taiwan of porcelain-on-steel cooking ware, 3/ provided for in item 654.08 of the Tariff Schedules of the United States, which are allegedly being subsidized. 4/ 5/ The Commission also determines, 2/ pursuant to section 733(a) of the Act, that there is a reasonable indication that industries in the United States are materially injured by reason of such imports from Mexico, the People's Republic of China, and Taiwan, which are allegedly being sold at less than fair value (LTFV). 4/ 5/

Background

The Commission instituted these investigations on December 4, 1985, following the receipt of a petition from General Housewares Corp., Terre Haute, IN, which alleged that subsidized imports of porcelain-on-steel cooking

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1/ The record is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).

2/ Commissioner Brunsdale did not participate in these investigations.

3/ Cooking ware, including teakettles, not having self-contained electric heating elements, all the foregoing of steel and enameled or glazed with vitreous glasses, but not including kitchen ware (currently reported under item 654.0828 of the Tariff Schedules of the United States Annotated).

4/ Commissioner Eckes determines there is a single domestic industry producing porcelain-on-steel cooking ware, and makes his affirmative finding accordingly.

5/ Chairwoman Stern, in accordance with section 171(4)(D), found one domestic industry.

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ware from Mexico and Taiwan and LTFV imports of such articles from Mexico, the People's Republic of China, and Taiwan are being sold in the United States and that an industry in the United States is materially injured and threatened with material injury by reason of such imports. Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of December 12, 1985 (50 FR 50855). The conference was held in Washington, DC, on December 27, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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VIEWS OF THE COMMISSION 1/

We determine that there is a reasonable indication that industries in the United States are materially injured by reason of imports from Mexico, the People's Republic of China, and Taiwan of porcelain-on-steel cooking ware which are allegedly being sold at less than fair value (LTFV) and by reason of imports from Mexico and Taiwan of porcelain-on-steel cooking ware that are allegedly being subsidized. 2/ 2A/

Like product and domestic industry

In a preliminary title VII investigation, the Commission must determine if there is a reasonable indication that the domestic industry is materially injured or threatened with material injury by reason of the subject imports. Section 771(4)(A) of the Tariff Act of 1930 defines "industry" as "[T]he domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 3/ "Like product" is defined as "[A] product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." 4/

1/ Commissioner Brunsdale did not participate in this determination.

2/ Commissioner Eckes determines there is a single domestic industry producing porcelain-on-steel cooking ware, and makes his affirmative finding accordingly.

2A/ See notes 11 and 43, infra, for the views of Chairwoman Stern on domestic industry.

3/ 19 U.S.C. § 1677(4)(A).

4/ Section 771(10); 19 U.S.C. § 1677(10). Additionally, the legislative history requires the Commission to define like product in a nonformalistic manner on a case-by-case basis: "The requirement that a product be 'like' the imported article should not be interpreted in such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and the article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by imports under investigation." S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

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The imported products subject to investigation are porcelain-on-steel (P-O-S) cooking ware, including teakettles, not having self-contained electric heating elements, constructed of steel and enameled or glazed with vitreous glasses. 5/ The subject products are used for cooking and heating food and include skillets, frypans, sauce pans, double boilers, dutch ovens, stockpots, steamers, canners, blanchers, coffee pots, teakettles, broiling pans, roasters, and other articles produced in a variety of sizes, colors, configurations, and weights.

The entire domestic production of P-O-S cooking ware, including teakettles, is produced by the petitioner, General Housewares Corporation (GHC), at a single factory in Terre Haute, Indiana. That facility produces over 500 items of P-O-S cooking ware, including teakettles, and a small amount of kitchenware. 6/

Based upon the data available in this preliminary investigation, we have determined that domestically produced cooking ware, excluding teakettles, is a product like or similar in characteristics and uses to the imports of cooking

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5/ On Dec. 12, 1985, the Department of Commerce initiated the subject investigations. 50 Fed. Reg. 50,856 (Dec. 12, 1985). The notice initiated an investigation of all P-O-S cooking ware including teakettles, not having self-contained electric heating elements, all the foregoing of steel and enameled or glazed with vitreous glasses (porcelain), provided for in items 654.08 of the Tariff Schedules of the United States. P-O-S kitchenware, included in item 654.0828 of the Tariff Schedules of the United States of America (TSUSA), was not included in the investigation.

6/ We have taken into account the fact that in previous years GHC has been an importer of a relatively small amount of certain types of P-O-S cooking ware from one of the countries subject to investigation. Under section 771(4)(B) of the Trade Act of 1930, as amended, 19 U.S.C. § 1677(4)(B), a producer who also imports allegedly subsidized or dumped merchandise may be excluded from the domestic industry as a related party in appropriate circumstances. Based on the relatively small amount of imports by GHC from only one of the three countries subject to investigation, we decline to find that GHC should be excluded as a related party.

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ware subject to this investigation. We also considered whether P-O-S teakettles constitute a separate like product from other P-O-S cooking ware. 7/

Teakettles are used solely to boil water which may be used to prepare hot beverages, such as tea or coffee, or may be used in recipes. Typically, they sit at all times on top of a stove, regardless of whether they are in use. Consequently, apart from their functional qualities, they often are considered kitchen decoration. As such, they are a consumer item particularly responsive to fad and fashion.

P-O-S teakettles are typically marketed as separate items from other P-O-S cooking ware. Although sometimes they are manufactured to coordinate with other articles of P-O-S cooking ware, they are also manufactured to coordinate solely with commercial lines of kitchenware. Channels of distribution exist for P-O-S teakettles which do not exist for other P-O-S cooking ware. Teakettles are marketed as items of giftware. The additional giftware market for teakettles reflects the perception of P-O-S teakettles as

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7/ Although this is the first title VII investigation of P-O-S cooking ware, the Commission has conducted three other investigations of P-O-S cooking ware pursuant to the escape clause statutes. Sections 201 and 203 of the Trade Act of 1974, 19 U.S.C. §§ 2251, 2253. On Jan. 2, 1980, the President granted section 201 relief to P-O-S cooking ware, excluding teakettles. 45 Fed. Reg. 759 (Jan. 3, 1980), reprinted in Porcelain-on-Steel Cooking Ware, TA-203-10, USITC Pub. 1190 (Oct. 1981). It is noteworthy that the scope of investigation in a title VII investigation is different than in a section 201 investigation. In a section 201 investigation, the Commission is charged with looking at products which are "like or directly competitive with" the imported product. In a title VII investigation, the Commission is charged with investigating a product "like, or in the absence of like, most similar in characteristics and uses" to the imported product. Section 771(10); 19 U.S.C. § 1677(10). The scope of investigation in a section 201 determination may necessarily be broader than in a title VII investigation. Furthermore, while a section 201 investigation requires the Commission to find that a domestic product is "like or directly competes" with the subject imports, the President is not required to grant relief to all the products which the Commission investigates or recommends relief.

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an item of kitchen decoration apart from its more utilitarian features. Accordingly, for purposes of this preliminary investigation, we determine that P-O-S teakettles constitute a separate like product. 8/ We further determine that there are two domestic industries consisting of P-O-S teakettles and all other P-O-S cooking ware.

GHC has provided separate data concerning production, shipments, and inventories of teakettles and other P-O-S cooking ware, but has not provided separate profitability and employment data. GHC indicates that such data are not susceptible of quantification because all workers and equipment at the Terre Haute, Indiana, factory produce all types of P-O-S cooking ware, including teakettles. As a result of previous investigations and trade relief granted to petitioner, certain data are available concerning both domestic and imported P-O-S teakettles, as distinguished from all other P-O-S cooking

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8/ For purposes of this preliminary investigation, Commissioner Eckes finds a single like product consisting of all P-O-S cooking ware.

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ware. Thus, we have used the separate data, where available. Where separate data are not available, we have applied section 771(4)(D). 9/ 10/ 11/

Condition of the domestic industry 12/

Aggregate production of P-O-S cooking ware declined from 1982-84 and again in the interim periods January-September 1984 to January-September 1985. 13/ Aggregate shipments of P-O-S cooking ware declined from 1982 to

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9/ Section 771(4)(D) of the Trade Act of 1930, as amended, provides that:

> The effect of subsidized or dumped imports shall be assessed in relation to the United States production of a like product if available data permit the separate identification of production in terms of such criteria as the production process or the producer's profits. If the domestic production of the like product has no separate identity in terms of such criteria, then the effect of the subsidized or dumped imports shall be assessed by the examination of production of the narrowest group or range of products which includes a like product, for which the necessary information can be provided.

19 U.S.C. § 1677(4)(D).

10/ The Commission notes that the data for the two domestic industries are in many respects contrary to each other. Nothwithstanding that the production of P-O-S teakettles constitutes a small portion of the overall domestic P-O-S production, the Commission is concerned over the lack of separate profitability data concerning teakettles. Since escape clause relief was granted in 1980, GHC, the sole domestic producer, has made a business decision to aggressively enter the market for P-O-S teakettles. In the event of a final investigation, the Commission will seek meaningful financial data which reflect GHC's marketing decision concerning teakettles.

Commissioner Eckes does not join this footnote.

11/ Chairwoman Stern finds that for purposes of this preliminary investigation it is appropriate to analyze material injury or the threat thereof on the basis of aggregate data for all P-O-S cooking ware. The data available for P-O-S teakettles are not sufficient for such an analysis. Therefore, on the basis of section 771(4)(D), 19 U.S.C. § 1677(4)(D), I assess the impact of the subject imports on the narrowest group or range of products which includes a like product, the entire P-O-S cooking ware industry. I note that section 771(4)(D) is properly used to reach the appropriate industry definition, rather than allow the use of aggregate data which would otherwise be inappropriate.

12/ Because there is only one domestic producer, most of the data obtained by the Commission are confidential and cannot be included in this public opinion. Therefore, much of the discussion is necessarily general.

13/ Report of the Commission (Report) at A-5-A-6.

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1984 and that trend continued from January-September 1984 to January-September 1985. 14/ The ratio of aggregate P-O-S cooking ware production to capacity also declined during the period of investigation. 15/

Domestic capacity to produce all types of P-O-S cooking ware remained constant during the period of investigation. 16/ No separate capacity or capacity utilization data are available for P-O-S teakettles because GHC produces all cooking ware using the same labor and equipment at the same location. From 1982 to 1984, capacity utilization declined annually.

With regard to inventories, GHC presents a mixed picture. From 1982 to 1983, aggregate inventories increased. Inventories then declined during 1984. 17/ Inventories in the interim period January-September 1985 declined relative to those in the same period in 1984; the domestic inventories similarly declined as a share of the proceeding year's shipments. 18/ 19/

14/ Id. at A-6-A-7.
15/ Id. at A-6.
16/ Id.
17/ Id. at A-7-A-8.
18/ Id.
19/ Separate data are available on domestic production, inventories, prices, and shipments of P-O-S teakettles and P-O-S cooking ware. The lack of separate financial data has required the Commission to use aggregate financial data in its analysis of the condition of the domestic industries. Data on teakettles indicate production and shipment trends contrary to that for other P-O-S cooking ware. For example, contrary to the picture for all P-O-S cooking ware, inventories of teakettles increased from 1982 to 1983. Production of teakettles increased dramatically from interim 1984 to interim 1985. When comparing the 1984 and 1985 interim periods, inventories increased by enormous amounts. When comparing the interim periods in 1984 and 1985, the quantity of teakettle shipments increased. Id. at A-6-A-8.

Teakettle production, however, constitutes a very small proportion of total domestic P-O-S cooking ware production, both in volume and value. Moreover, as previously noted, separate financial data are not available for teakettles. Overall financial data indicate consistent downward trends. Based upon an analysis of all the available data for teakettles, including appropriate application of section 771(4)(D), the Commission finds sufficient information in this preliminary investigation to support consistent findings with regard to a reasonable indication of material injury.

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Reduced domestic production of cooking ware has resulted in reductions in employment. The average number of workers producing P-O-S cooking ware declined during the period under investigation. Total hours worked and compensation similarly declined. 20/

Major indicators of financial performance for GHC--net sales, gross profits, operating income, and net income before income tax--have declined markedly from 1982 to 1984. 21/ Further, the data collected by the Commission indicate that in the first three quarters of 1985, when compared to the same period in 1984, GHC experienced further declines. 22/ Thus, we find that there is a reasonable indication of material injury to the domestic industries. 23/ 24/

20/ Report at A-8-A-9.
21/ Id. at A-10.
22/ Id.
23/ Chairwoman Stern believes that the causal context is critical to a reliable material injury determination. For instance, in a case where a new industry is showing losses, it may well be ahead of expectations and hence "healthy." Or an industry which may warrant above normal returns as a return to innovation could be judged materially injured because LTFV imports had eroded its financial position (though profits might still be "normal" by other standards). The appropriate context for the material injury finding is in conjunction with the causal analysis.

Therefore, Chairwoman Stern does not believe it necessary or desirable to make a determination on the question of material injury separate from the consideration of causality. She joins her colleagues by concluding that the domestic industry is experiencing economic problems. For a fuller discussion of this issue, see Cellular Mobile Telephones and Subassemblies Thereof from Japan, Inv. No. 731-TA-207 (Final), USITC Pub. 1786 at 18 (Dec. 1985). Chairwoman Stern reads American Spring Wire Corp. v. United States, 590 F. Supp. 1273, 1276 (CIT 1984), aff'd sub nom., Armco, Inc. v. United States, 760 F.2d 249 (Fed. Cir. 1985), as holding that the approach of the Commission majority is permissible but not required under the statute.
24/ Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. See Additional Views of Commissioner Eckes in Cellular Mobile Telephones and Subassemblies Thereof from Japan, Inv. No. 731-TA-207 (Final), USITC Pub. 1786 (Dec. 1985).

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Cumulation 25/

These investigations involve imports allegedly sold at LTFV from three countries. Thus, the Commission must decide whether it is appropriate to cumulate imports from these three countries in assessing the volume and effect of these imports on the domestic industries.

Under section 771(7)(C)(iv) of the Trade and Tariff Act of 1984:

> [T]the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with the products of the domestic industry in the United States market. 26/

Imports must satisfy three requirements before cumulation is warranted; they must: (1) compete with both other imports and the domestic like product; (2) be marketed within a reasonably coincidental period; and (3) be subject to investigation. The Commission may exercise its discretion in determining whether imports compete and whether the marketing of imports is reasonably coincident. 27/ The Commission's decision to cumulate imports in this investigation is based upon consideration of the following factors:

> --the degree of fungibility between imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
> --the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;

25/ Commissioner Eckes has evaluated imports from each of the countries subject to investigation separately and has determined that there is a reasonable indication of material injury to the domestic industry by reason of imports from each country. Therefore, he does not reach the further question of cumulation and does not join this discussion.

26/ 19 U.S.C. § 1677(7)(C)(iv).

27/ See, e.g., Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, Sweden, and Venezuela, Invs. Nos. 701-TA-225-234 and 731-TA-213-217, 219, 221-226, and 228-235 (Preliminary), USITC Pub. 1642 at 12-13 (1985).

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--the existence of common or similar channels of distribution for imports from different countries and the domestic like product;
--whether the prices of imports and the domestic like product are within a reasonable range;
--whether the imports are simultaneously present in the market.

With regard to the first criterion, we note that no two manufacturers' products are completely identical; however, specific articles of P-O-S cooking ware are similar in configuration and function. We find that there is a reasonable degree of fungibility between the domestic products and imports from all the countries investigated. 28/

The data collected in this preliminary investigation indicate that for the period of investigation each of the countries subject to investigation exported teakettles and other P-O-S cooking ware to the United States. The data further indicate that the products of all countries have similar channels of distribution and are simultaneously present in the various geographic markets. 29/ In terms of quality, physical characteristics, and consumer demand, the overwhelming majority of domestically produced P-O-S cooking ware and P-O-S cooking ware imports from the countries subject to investigation are fungible. 30/

The instant series of cases involves three dumping and two subsidy cases. The Commission believes it is inappropriate to cumulate allegedly dumped and allegedly subsidized imports. Thus, the Commission has determined to cumulate allegedly LTFV imports from Mexico, the People's Republic of

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28/ Report at A-2-3
29/ The Commission has taken into account the argument that the demand for certain types of Mexican cooking ware constitute separate geographic markets. Based upon all the data from Mexico received in this preliminary investigation, the Commission is not persuaded that Mexican imports are marketed in separate geographic markets.
30/ Report at A-2-3

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China, and Taiwan and to cumulate allegedly subsidized imports from Mexico and Taiwan.

Reasonable indication of material injury by reason of the allegedly unfairly traded imports 31/

Section 771(4)(B) of the Tariff Act of 1930 directs the Commission to consider, among other factors, the volume of imports of the merchandise under investigation, the impact of imports on the domestic industries, and the effect of the imports on domestic prices. 32/ In determining whether there is a reasonable indication that imports from Mexico, the People's Republic of China, and Taiwan are causing material injury to the domestic industries, we have considered the cumulative volume and effect of imports from those countries in relation to the subject antidumping investigations separately from the countervailing duty investigations.

The aggregated volume of P-O-S cooking ware from all three countries subject to investigation rose significantly from 1982 to 1984, nearly tripling in three years. 33/ The volume of imports from Mexico and Taiwan reflect that

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31/ Vice Chairman Liebeler finds five factors to be particularly helpful on the issue of causation. An affirmative vote is more likely when the following conditions are present: (1) a large and increasing market share; a high margin of dumping or subsidization; (3) homogeneous products; (4) declining domestic prices; and (5) barriers to entry. See Certain Red Raspberries from Canada, Inv. No. 731-TA-196 (Final), USITC Pub. 1680 at 11-19 (1985) (Additional Views of Vice Chairman Liebeler). For teakettles and other cooking ware there are large and increasing market shares for cumulated imports from both two and three countries; allegations of high dumping margins (but the allegations of subsidies are not quantified); homogeneous products; and teakettle prices are down sharply, whereas the prices for other P-O-S cooking ware are mixed. Based on these factors I determine that there is a reasonable indication that the domestic industries producing teakettles and other P-O-S cooking ware are being injured by allegedly dumped and subsidized imports of the like product.

32/ 19 U.S.C. § 1677(7).

33/ Report at A-13-A-15.

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trend. The aggregate volume of imports from the three countries increased from 3.7 million units in 1982 to 10.4 million units in 1984. 34/ The volume of imports from Mexico and Taiwan increased from 3.6 million units in 1982 to 9.8 million units in 1984. 35/

From January-September 1984 to January-September 1985, the aggregate quantity of P-O-S cooking ware imports from the three countries declined slightly from 8.3 million units to 8.2 million units. The quantity of imports from Mexico and Taiwan declined from 7.9 million units to 6.6 million units. 36/

Domestic consumption of all P-O-S cooking ware increased by 21.4 percent from 1982 to 1984, but declined by 4.0 percent in January-September 1985 compared to January-September 1984. 37/ As a share of domestic consumption, cumulative imports from the three subject countries increased during all periods covered in the investigation. Imports from Taiwan and Mexico reflect that trend. 38/

Pricing data in this preliminary investigation are mixed. 39/ Because of the wide range of articles produced, pricing information for comparable items was difficult to obtain. 40/ For comparable periods and products, GHC's prices were sometimes below imports and sometimes above. 41/ The volume and

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34/ Id.
35/ Id.
36/ Id.
37/ Id. at A-16-A-17.
38/ Id.
39/ Id. at A-18-A-24.
40/ In the event of a final investigation, the Commission will seek data on a wider range of articles, which are representatively high in volume of both domestic production and imports.
41/ Vice Chairman Liebeler does not find evidence of underselling or overselling to be persuasive on the question of causation. See Certain Table Wine from the Federal Republic of Germany, France, and Italy, Invs. Nos. 701-TA-258-60 and 731-TA-283-85 (Preliminary), USITC Pub. 1771 at 34-36 (1985) (Additional Views of Vice Chairman Liebeler).

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value of imports increased relative to domestic production and consumption during the period of investigation. At the same time, prices in most product categories declined.

When viewed for the entire period of investigation, the trends for both domestic industries provide a reasonable indication of material injury. 42/ 43/ Based on the foregoing, the Commission finds that there is a reasonable indication of material injury to domestic industries in the United States by reason of imports from Mexico, the People's Republic of China, and Taiwan of porcelain-on-steel cooking ware which are allegedly being sold at LTFV and by reason of imports from Mexico and Taiwan of porcelain-on-steel cooking ware that are allegedly being subsidized.

42/ See note 19, supra.

43/ Chairwoman Stern, having found in accordance with section 771(4)(D) one domestic industry for purposes of analysis, finds a reasonable indication of material injury by reason of the subject imports.

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INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On December 4, 1985, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce on behalf of General Housewares Corp., Terre Haute, IN, alleging that subsidized imports of porcelain-on-steel cooking ware from Mexico and Taiwan and less-than-fair value (LTFV) imports of such articles from Mexico, The People's Republic of China (China), and Taiwan are being sold in the United States and that an industry in the United States is materially injured and threatened with material injury by reason of such imports.

Accordingly, effective December 4, 1985, the Commission instituted countervailing duty investigations Nos. 701-TA-265-266 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) and antidumping investigations Nos. 731-TA-297-299 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of such imports.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register on December 12, 1985 (50 F.R. 50855). 1/ The public conference was held in Washington, DC, on December 27, 1985, 2/ and the vote was held on January 16, 1985. The applicable statute directs the Commission to notify Commerce of its preliminary determinations within 45 days after the date of the filing of the petitions, or by January 21, 1986.

Previous Investigations

Porcelain-on-steel cooking ware has been the subject of three other investigations conducted by the Commission. In 1979, upon the receipt of a petition from General Housewares, the Commission conducted an investigation under section 201 of the Trade Act of 1974. In that investigation, No. TA-201-39, the Commission unanimously determined that the subject product was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. 3/ On the basis of the Commission's recommendation, the President ordered import relief in the form of additional duties for 4 years, subject to the Commission's advice on the probable economic effect of termination of such

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1/ A copy of the Commission's notice and copies of Commerce's notices instituting the investigations are shown in app. A.

2/ A list of witnesses appearing at the conference is presented in app. B.

3/ Nonelectric Cooking Ware: Report to the President on Investigation No. TA-201-39, USITC Publication 1008, November 1979.

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relief after 2 years. 1/ On June 26, 1981, the Commission instituted investigation No. TA-203-10 under section 203(i)(2) of the Trade Act of 1974 (19 U.S.C. 2253(i)(2)) to so advise the President and unanimously determined that the termination or reduction of the import relief would have an adverse economic effect on the domestic industry concerned. 2/ On July 20, 1983, the Commission instituted investigation No. TA-203-15 under section 203(i)(3) of the Trade Act of 1974 (19 U.S.C. 2253(i)(3)) at the request of General Housewares to advise the President on the appropriateness of extending import relief; however, General Housewares withdrew its petition on September 16, 1983. The relief continued until January 17, 1984.

The Product

Description and uses

Porcelain-on-steel cooking ware are articles of porcelain-coated steel used as receptacles in the cooking and heating of food. 3/ Related items of porcelain-coated steel used only to handle or process food, i.e., porcelain-on-steel kitchen ware, such as mixing bowls and colanders, are not included. Porcelain is an opaque glass, suffused onto the steel during the production process by means of intense heat. Articles of porcelain-on-steel cooking ware are primarily identified according to the kind of cooking they are designed to perform and/or the kind of food they are designed to heat. Among the most common of such articles are skillets, frypans, saucepans, double boilers, dutch ovens, stock pots, steamers, canners, blanchers, coffee pots, egg poachers, teakettles, broiling pans, and roasters.

All of the most common articles of porcelain-on-steel cooking ware identified above are sold in a wide variety of shapes, sizes, configurations, steel thicknesses, colors, decorative patterns, trim, handle design (either wood, phenolic or various metals), and/or price ranges. No two manufacturers' products are completely identical, although they are often very similar. Several variations of a single article may be offered by a single producer.

All of the most common articles of porcelain-on-steel cooking ware are usually sold individually. An exception is seven-piece sets. consisting of a 1- to 2 quart saucepan with cover, a 2- to 3 quart saucepan with cover, a 4 1/2- to 5 quart dutch oven with cover, and an 8- to 10 inch open skillet. 4/

1/ President Carter imposed additional duties on January 2, 1980, of 20 cents per pound in the first two years of import relief beginning January 1980-81, 15 cents per pound in the third year of import relief (1982), and 10 cents per pound in the fourth year of import relief, which expired on January 16, 1984.

2/ Porcelain-On-Steel Cooking Ware: Report to the President on Investigation No. TA-203-10, USITC Publication 1190, October 1981.

3/ The petition specified non-electric porcelain-on-steel cooking ware, i.e., porcelain-on-steel cooking ware without self-contained electrical heating elements. Porcelain-on-steel cooking ware with such elements are not known to be produced or sold in the United States.

4/ Covers are identified as separate pieces in the trade.

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Such sets have become increasingly popular and now account for a significant proportion of overall sales.

All of the most common articles of porcelain-on-steel cooking ware are imported into the United States from one or more of the countries complained of, and there is no article being imported that is not also being produced domestically. There may, however, be considerable variation between the U.S.-produced and imported articles in terms of size, decoration, and other characteristics identified above. Neither Mexico, China, nor Taiwan individually exports all of the most common articles of porcelain-on-steel cooking ware to the United States.

To produce porcelain-on-steel cooking ware, steel blanks are pressed into the shape of the desired article, coated with porcelain enamel, and then fired at high temperatures. 1/ The presses and other equipment used to form one article can be used to form all others with minimal retooling. The workers are also interchangeable, often shifting from the production of one article to another.

All of the cooking ware articles made of porcelain-on-steel may also be made of stainless steel, cast-iron, porcelain-on-iron, aluminum, aluminum with non-stick surfaces (such as Teflon and Silverstone), copper, tin, and in some cases, ceramic, or glass. Although they are all similar in configuration and function, prices vary widely. Tin and cast-iron cooking ware, for example, are generally less expensive than the porcelain-on-steel variety, while cast-aluminum and copper are generally more expensive; stainless is comparably priced. The raw material from which cooking ware is made may make a specific article more or less suited for a particular cooking situation.

U.S. tariff treatment

Porcelain-on-steel cooking ware is currently provided for in TSUS item 654.08, a classification which also includes porcelain-on-steel kitchen ware. 2/ The column 1 (most-favored-nation) rate of duty for this item, applicable to imports from China and Taiwan, is currently 2.8 percent ad valorem. 3/ This rate will be reduced to 2.7 percent ad valorem on January 1, 1987, the last in a series of duty reductions granted in the Tokyo round of the Multilateral Trade Negotiations. The special duty rate, applicable to

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1/ The high temperatures at which these articles are fired impart a degree of brightness to color which is not possible on other types of cooking ware.

2/ This item came into effect on January 17, 1984. Prior to this time, porcelain-on-steel cooking ware was provided for in item 654.02.

3/ The rates of duty in the column numbered 1 are most-favored-nation (MFN) rates and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(d) of the TSUS. The People's Republic of China, Hungary, Romania, and Yugoslavia are the only Communist countries eligible for MFN treatment. However, MFN rates would not apply if preferential tariff treatment is sought and granted to products of developing countries under the Generalized System of Preferences (GSP) or the Caribbean Basin Economic Recovery Act (CBERA), or to products of Israel or of least developed developing countries (LDDC's) as provided under the Special rates of duty column.

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imports from Mexico under the Generalized System of Preferences (GSP), is free. 1/

Nature and Extent of Alleged Subsidies and Sales at LTFV

There is no information relating to the nature and extent of the alleged subsidies and sales at LTFV other than the allegations of the petitioner. With respect to subsidies, the petitioner cited various Mexican and Taiwan programs such as preferential loans and export financing, insurance and freight benefits, tax credits and exemptions, industrial development funds, and rebates which have conferred subsidies on other products and which, by generalization, confer subsidies on the subject product. 2/ The petitioner did not attempt to quantify the subsidy rate by firm or by type of product.

The petitioner did provide quantitative data with respect to LTFV sales. On the basis of home-market prices or constructed prices, dumping margins were estimated for several producers in Mexico, China, and Taiwan on several types of porcelain-on-steel cooking ware. For Mexico, the articles included oval roasters, dutch ovens, 9-inch fry pans, 5-quart pots, and decorated teakettles, with the margins ranging from 19 percent to 131 percent. The calculations were made for two Mexican producers. 3/ For China, the articles included teakettles in general and cookware valued not over $2.25 per pound, with the margins ranging from 88 percent to 710 percent. No producers in China were identified. For Taiwan, the articles included seven-piece sets and 2-quart teakettles, with the margins ranging from 21 percent to 70 percent. The calculations were made for six Taiwan producers. 4/

U.S. Producers

Since 1978, the petitioner, General Housewares Corp., has been the sole U.S. producer of porcelain-on-steel cooking ware. At least 12 firms have ceased producing this type of cooking ware since World War II. Headquartered in Stamford, Conn., General Housewares manufactures a variety of household articles at five locations in the northeastern United States. It manufactures porcelain-on-steel cooking ware at a single plant in Terre Haute, IN. At other plants it manufactures cooking ware of cast-iron and cast-aluminum. Porcelain-on-steel cooking ware accounts for about * * * percent of General Housewares' overall sales.

1/ The GSP affords nonreciprocal tariff preferences to developing countries to aid their economic development and to diversify and expand their production and exports. The U.S. GSP, enacted in title V of the Trade Act of 1974 and renewed in the Trade and Tariff Act of 1984, applies to merchandise imported on or after January 1, 1976 and before July 4, 1993. It provides duty-free entry to eligible articles imported directly from designated beneficiary developing countries.

2/ Commerce's notice of initiation of countervailing duty investigation (app A) identifies each program on which it is initiating an investigation.

3/ Troqueles y Esmaltes, S.A., and Cinsa, S.A.

4/ Li Nan, Receive Will, First Enamel, Tou Tien, Li How, and Tian Shine.

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General Housewares has also imported porcelain-on-steel cooking ware, albeit in relatively small quantitites. * * * .

U.S. Importers

At least 50 firms imported porcelain-on-steel cooking ware from Mexico, China, and/or Taiwan in 1984 and January-September 1985. Nearly all were either houseware distributors, such as * * * mass merchandisers, such as * * *, or large mail-order houses, such as * * *. None are related to the producers from which they import, and none modify or otherwise add value to the imported product. The Commission received questionnaire responses from * * * U.S. importers of Mexican-produced porcelain-on-steel cooking ware * * *, * * * importer of Chinese-produced porcelain-on-steel cooking ware * * *, and * * * importers of Taiwanese-produced porcelain-on steel cooking ware, * * *. The firms from which the Commission received questionnaire responses accounted for about 65 percent of the imports from Mexico, 23 percent of the imports from China, and 32 percent of the imports from Taiwan of porcelain-on-steel cooking ware in 1984.

U.S. Channels of Distribution

Most porcelain-on-steel cooking ware sold in the United States by U.S. and foreign producers is either sold to large retailers, such as mass merchandisers and mail-order houses, or to large houseware distributors, which serve the smaller retailers. The retailers sell to endusers, the vast majority of which are households.

Consideration of Alleged Material Injury

Teakettles account for a relatively large portion of porcelain-on-steel cooking ware sold in the United States and are the only article of such ware for which separate import data are available. Separate data for teakettles, therefore, are shown in the following sections, except for capacity, employment, and financial performance for which General Housewares maintains data only for all articles of porcelain-on-steel cooking ware combined.

U.S. production, capacity, and capacity utilization

U.S. production of all articles of porcelain-on-steel cooking ware declined by * * * percent, from * * * units in 1982 to * * * units in 1984, and declined again, by * * * percent, from January-September 1984 to January-September 1985 (table 1). General Housewares reported no losses in production as a result of employment-related problems, sourcing problems, transitions, power shortages, natural disasters, or any other unusual circumstances, nor does its decline in production reflect a reallocation of resources to any foreign subsidiary. Contrary to the trend for the aggregate, U.S. production of porcelain-on-steel teakettles increased by * * * percent from 1982 to 1984 and by nearly * * * percent from January-September 1984 to January-September 1985. These articles accounted for * * * percent of all

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Table 1.--Porcelain-on-steel cooking ware: U.S. production, average capacity, and capacity utilization, by types, 1982-84, January-September 1984, and January-September 1985

Item and type	1982	1983	1984	January-September--	
				1984	1985
Production:					
Teakettles----1,000 units--	***	***	***	***	***
All other----------do----	***	***	***	***	***
Total----------do----	***	***	***	***	***
Average capacity: 1/					
Teakettles----------do----	***	***	***	***	***
All other----------do----	***	***	***	***	***
Total----------do----	***	***	***	***	***
Ratio of production to capacity:					
Teakettles--------percent--	***	***	***	***	***
All other----------do----	***	***	***	***	***
Total----------do----	***	***	***	***	***

1/ Capacity based on operating facilities 120 hours per week, 50 weeks per year.

2/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

porcelain-on-steel cooking ware General Housewares produced in these periods (or * * * percent in January-September 1985).

From 1982 through January-September 1985, annual U.S. capacity to produce all types of porcelain-on-steel cooking ware remained at * * * million units. There is no capacity used exclusively for the production of teakettles. General Housewares produces the various articles of porcelain-on-steel cooking ware with the same labor and equipment at the same location. The relative shares of production of each of the various articles are adjusted from time to time in response to the market. In keeping with the trend in production, capacity utilization declined from * * * percent in 1982 to * * * percent in 1984, and from * * * percent in January-September 1984 to * * * percent in January-September 1985.

General Housewares' domestic shipments and exports

General Housewares' domestic shipments of all types of porcelain-on-steel cooking ware declined by * * * percent from * * * units, valued at * * * in

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1982 to * * * units, valued at * * *, in 1984 (table 2). Its domestic shipments continued to decline, by * * * percent, from January-September 1984 to January-September 1985. In contrast, domestic shipments of teakettles increased by * * * percent from * * * units, valued at * * *, in 1982 to * * * units, valued at * * * in 1984, and continued to rise, by * * * percent, from January-September 1984 to January-September 1985.

Table 2.--Porcelain-on-steel cooking ware: General Housewares' domestic shipments and exports, by types, 1982-84, January-September 1984, and January-September 1985

Item and type	1982	1983	1984	January-September--	
				1984	1985
	Quantity (1,000 units)				
Domestic shipments:					
Teakettles	***	***	***	***	***
All other	***	***	***	***	***
Total	***	***	***	***	***
Exports:					
Teakettles	***	***	***	***	***
All other	***	***	***	***	***
Total	***	***	***	***	***
	Value (1,000 dollars)				
Domestic shipments:					
Teakettles	***	***	***	***	***
All other	***	***	***	***	***
Total	***	***	***	***	***
Exports:					
Teakettles	***	***	***	***	***
All other	***	***	***	***	***
Total	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Exports, which accounted for about * * * percent of domestic shipments in recent years, increased by about * * * percent from 1982 to 1983, but declined thereafter. * * * .

Inventories

General Housewares' end-of-period inventories of all types of porcelain-on-steel cooking ware increased by * * * percent from 1982 to 1983, but then declined by * * * percent from 1983 to 1984, and by * * * percent from

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January-September 1984 to January-September 1985 (table 3). As a share of the preceding year's shipments, inventories declined similarly. Inventories of teakettles, on the other hand, increased by * * * percent from 1982 to 1984 and more than * * * from January-September 1984 to January-September 1985.

Table 3.--Porcelain-on-steel cooking ware: General Housewares' end-of-period inventories, by types, 1982-84, January-September 1984, and January-September 1985

Item and type	1982	1983	1984	January-September--	
				1984	1985
Inventories:					
Teakettles----1,000 units--	***	***	***	***	***
All other----------do----	***	***	***	***	***
Total----------do----	***	***	***	***	***
Ratio of inventories to total shipments during the preceding period:					
Teakettles--------percent--	***	***	***	1/ ***	1/ ***
All other----------do----	***	***	***	1/ ***	1/ ***
Average----------do----	***	***	***	1/ ***	1/ ***

1/ Annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Employment

As General Housewares reduced its production, it also reduced its workforce. The average number of production and related workers producing porcelain-on-steel cooking ware in General Housewares' Terre Haute facility declined by * * * percent from * * * in 1982 to * * * in 1984 and continued to decline, by * * * percent, from January-September 1984 to January-September 1985 (table 4). The hours worked by these workers and the total compensation paid to them declined similarly, as shown in table 4. Except for porcelain-on-steel kitchen ware, which accounts for * * * percent of their production time, workers at the Terre Haute facility do not produce products other than porcelain-on-steel cooking ware.

General Housewares' financial experience

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Table 4.--Average number of production and related workers producing porcelain-on-steel cooking ware in U.S. establishments, hours worked by and total compensation and average hourly compensation paid to such workers, 1982-84, January-September 1984, and January-September 1985

Item	1982	1983	1984	January-September--	
				1984	1985
Average number of production and related workers producing porcelain-on-steel cooking ware	***	***	***	***	***
Hours worked by such production and related workers-----1,000 hours	***	***	***	***	***
Total compensation paid to such production and related workers 1,000 dollars	***	***	***	***	***
Hourly compensation paid to such production and related workers	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 5.--Selected financial data for General Housewares on its U.S. porcelain-on-steel cooking ware operations, 1982-84, January-September 1984, and January-September 1985

Item	1982	1983	1984	January-September--	
				1984	1985
Net sales-----1,000 dollars--	***	***	***	***	***
Cost of goods sold-----do----	***	***	***	***	***
Gross profit or (loss)-1,000 dollars----------do----	***	***	***	***	***
General, selling, and administrative expenses---do----	***	***	***	***	***
Operating income or (loss) do----	***	***	***	***	***
Interest expense-------do----	***	***	***	***	***
Other income or (expense), net----------do----	***	***	***	***	***
Net income or (loss) before income taxes---------do----	***	***	***	***	***
Depreciation and amortization expenses----------do----	***	***	***	***	***
Cash flow or (deficit) from operations----------do----	***	***	***	***	***
As a share of net sales:					
Gross profit or (loss) percent--	***	***	***	***	***
Operating income or (loss) do----	***	***	***	***	***
Net income or (loss) before income taxes-------do----	***	***	***	***	***
Cost of goods sold---do----	***	***	***	***	***
General, selling and administrative expenses--do--	***	***	***	***	***
Fixed assets:					
Original cost 1,000 dollars:	***	***	***	***	***
Book value----------do----	***	***	***	***	***
Ratio of operating income or (loss) to					
Original cost of fixed assets---------percent--	***	***	***	***	***
Book value of fixed assets----------do----	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Consideration of Alleged Threat of Material Injury

In the examination of the question of threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the nature of the subsidy, the rate of increase of imports and market penetration of such imports, probable suppression and/or depression of U.S. producers' prices, the capacity of producers in the exporting country to generate exports (including the existence of underutilized capacity), the availability of export markets other than the United States, and U.S. importers' inventories. Import and market penetration trends for porcelain-on-steel cooking ware are discussed in the following section. A discussion of importers' inventories and foreign capacity and exports, to the extent such information is available, is presented below.

Data received from U.S. importers, which account for approximately 65 percent of the imports from Mexico, 23 percent of the imports from China, and 32 percent of the imports from Taiwan, show that end-of-period inventories of porcelain-on-steel cooking ware have generally increased since 1982. End-of-period inventories of Mexican-produced porcelain-on-steel cooking ware increased from * * * units, or * * * percent of imports, in 1982 to * * * units, or * * * percent of imports, in 1984, and then declined to * * * units, or * * * percent of imports, in January-September 1985 (compared with * * * units, or * * * percent of imports, in January-September 1984). End-of-period inventories of Chinese-produced porcelain-on-steel cooking ware increased from * * * in 1982 and 1983 to * * * units, or * * * percent of imports, in 1984, and then to * * * units, or * * * percent of imports, in January-September 1985. * * *. End-of-period inventories of Taiwan-produced material increased from * * * units, or * * * percent of imports, in 1982 to * * * units, or * * * percent of imports, in 1984, and then to * * * units, or * * * percent of imports, in January-September 1985 (compared with * * * units, or * * * percent of imports, in January-September 1984).

Data for four Taiwan firms, submitted by counsel representing certain Taiwan manufacturers, 1/ show that annual capacity for these firms 2/ combined increased from * * * units in 1982 to * * * units in 1985, and that capacity utilization increased from * * * percent to * * * percent in the same periods, respectively. These firms accounted for about * * * percent of Taiwan's exports of porcelain-on-steel cooking ware to the United States in 1982-84. As a share of these firms' total production, exports increased from 78.1 percent in 1982 to 86.6 percent in 1983 and then declined to 83.5 percent in 1985. The United States' share of the exports increased from 74.2 percent in 1982 to 83.3 percent in 1984 and then declined to 79.1 percent in 1985.

1/ Post-hearing brief of Ablondi & Foster, P.C., January 2, 1986, confidential attachment 2.

2/ First Enamel, Receive Will, Li-Fong, and Tian Shine.

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Data for the Mexican firms, submitted by counsel representing the Mexican producers and certain importers, 1/ show that annual capacity for these firms 2/ combined has remained at about * * * units in recent years and that capacity utilization has remained between * * * percent. These firms have accounted for all of Mexico's exports to the United States since 1982. As a share of these firms' total shipments, exports increased from * * * percent in 1983 to * * * percent in 1984, and then dropped to * * * percent in January-September 1985. The United States' share of these exports fell from * * * percent in 1983 to * * * percent in 1984 and then to * * * percent in January-September 1985.

Data for the Chinese firms are not currently available.

Consideration of the Causal Relationship Between the Alleged Subsidized and LTFV Imports and the Alleged Material Injury

U.S. imports

All sources.--Total U.S. imports of porcelain-on-steel cooking ware from all countries increased from 10.8 million units, valued at $39.2 million, in 1982 to 18.0 million units, valued at $59.6 million, in 1984, an increase of 66.6 percent (table 6). From January-September 1984 to January-September 1985, total imports of porcelain-on-steel cooking ware declined by 2.3 percent. Contrary to the trend for imports of all porcelain-on-steel cooking ware, imports of teakettles, after increasing from 1982 to 1983, remained at approximately 5.4 million units during 1983-84. From January-September 1984 to January-September 1985, imports of teakettles declined by 25.2 percent.

Countries under investigation.--Collectively, imports from Mexico, China, and Taiwan reflect the trend for the aggregate, except that imports of teakettles from these countries continued to increase from 1983 to 1984 (table 7). Imports of all porcelain-on-steel cooking ware from these countries nearly tripled from 3.7 million units, valued at $10.0 million, in 1982 to 10.4 million units, valued at $31.0 million, in 1984, and then declined by 1.5 percent from January-September 1984 to January-September 1985. Imports of teakettles from these countries increased by 184.3 percent from 1.0 million units, valued at $4.0 million, in 1982 to 2.9 million units, valued at $11.4 million, in 1984, but then fell by 40.1 percent from January-September 1984 to January-September 1985.

The trend in the aggregate data reflects the relatively large quantity of imports from Taiwan, especially in regard to teakettles (table 6). Unlike imports from Taiwan, imports of teakettles from Mexico and China increased from January-September 1984 to January-September 1985, although imports from these latter two countries remained at relatively low levels. Conversely, while imports of all porcelain-on-steel cooking ware from Taiwan declined by 13.9 percent in this period, imports from China increased by more than 349 percent.

Imports from Mexico of all porcelain-on-steel cooking ware increased from 1.6 million units, valued at $2.5 million, in 1982 to 2.3 million units,

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1/ Letter to the Commission from Adduci, Dinan & Mastriani; dated January 7, 1986, confidential exhibits A & B.

2/ Troqueles Y Esmaltes, S.A., and Cinsa, S.A.

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Table 6.--Porcelain-on-steel cooking ware: U.S. imports, by types and by principal sources, 1982-84, January-September 1984, and January-September 1985

Item and source	1982	1983	1984	January-September--	
				1984	1985
	Quantity (1,000 units) 1/				
Teakettles:					
Taiwan	945	2,084	2,826	2,278	1,283
China	14	8	11	2	73
Mexico	45	45	17	13	18
Japan	2,387	2,919	2,310	1,789	1,158
Spain	248	173	82	70	64
All others	93	129	101	79	569
Total	3,732	5,358	5,347	4,231	3,165
All other:					
Taiwan	1,121	3,684	4,642	3,647	3,815
China	100	465	602	342	1,470
Mexico	1,513	1,051	2,331	1,999	1,494
Japan	2,189	2,399	1,763	1,336	1,131
Spain	1,245	1,225	1,573	1,408	1,650
All others	912	1,265	1,756	1,358	1,272
Total	7,080	10,089	12,667	10,090	10,832
Total:					
Taiwan	2,065	5,768	7,468	5,925	5,099
China	114	472	613	344	1,543
Mexico	1,558	1,096	2,348	2,012	1,512
Japan	4,576	5,317	4,073	3,125	2,290
Spain	1,493	1,398	1,655	1,478	1,714
All others	1,006	1,395	1,857	1,437	1,840
Grand total	10,812	15,446	18,014	14,321	13,998

See footnotes on next page.

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Table 6.--Porcelain-on-steel cooking ware: U.S. imports, by types and by principal sources, 1982-84, January-September 1984, and January-September 1985 --Continued

Item and source	1982	1983	1984	January-September--	
				1984	1985
	Value (1,000 dollars) 1/				
Teakettles:					
Taiwan	3,825	10,065	11,326	8,873	4,593
China	40	14	48	10	270
Mexico	135	93	46	32	59
Japan	11,014	14,343	10,840	8,230	4,704
Spain	1,244	817	362	304	439
All others	500	721	535	417	555
Total	16,758	26,053	23,157	17,866	10,620
All other:					
Taiwan	3,568	11,492	14,276	11,024	10,506
China	66	268	1,322	720	2,130
Mexico	2,325	2,012	3,963	3,333	2,298
Japan	9,061	9,525	6,908	5,499	4,720
Spain	4,419	4,073	6,202	5,470	6,468
All others	2,997	4,380	3,770	2,978	2,722
Total	22,436	31,750	36,441	29,024	28,844
Total:					
Taiwan	7,393	21,557	25,602	19,897	15,099
China	106	282	1,370	730	2,400
Mexico	2,460	2,104	4,009	3,365	2,357
Japan	20,075	23,869	17,748	13,729	9,423
Spain	5,663	4,890	6,564	5,774	6,907
All others	3,497	5,101	4,305	3,395	3,278
Grand total	39,194	57,803	59,598	46,890	39,464

1/ Because of rounding, figures may not add to totals shown.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table 7.--Porcelain-on-steel cooking ware: Cumulative imports from Mexico, China, and Taiwan, by type, 1982-84, January-September 1984, and January-September 1985

Item	1982	1983	1984	January-September--	
				1984	1985
	Quantity (1,000 units) 1/				
Teakettles	1,004	2,137	2,854	2,293	1,374
All other	2,734	5,200	7,575	5,988	6,779
Total	3,738	7,336	10,429	8,281	8,154
	Value (1,000 dollars) 1/				
Teakettles	4,000	10,172	11,420	8,915	4,922
All other	5,959	13,772	19,561	15,077	14,934
Total	9,959	23,943	30,981	23,992	19,856

1/ Because of rounding, figures may not add to totals shown.

Source: Compiled from official statistics of the U.S. Department of Commerce.

valued at $4.0 million, in 1984, or by 50.7 percent. * * *. From January-September 1984 to January-September 1985, imports from Mexico declined by 24.9 percent. Mexico's share of total U.S. imports was 14.4 percent in 1982, 7.1 percent in 1983, 13.0 percent in 1984, and 10.8 percent in January-September 1985. As shown in table 6, imports from Mexico of porcelain-on-steel teakettles were relatively small throughout the period for which data are presented, never accounting for more than 1.2 percent of total imports of the article.

U.S. imports from China of all porcelain-on-steel cooking ware increased from 114,000 units, valued at $106,000, in 1982 to 613,000 units, valued at $1.4 million, in 1984, and then to 1.5 million units, valued at $2.4 million, in January-September 1985. China's share of total U.S. imports was 1.1 percent in 1982, 3.1 percent in 1983, 3.4 percent in 1984, and 11.0 percent in January-September 1985. Although imports from China of porcelain-on-steel teakettles increased in January-September 1985 compared to January-September 1984, they were relatively small in each of the reporting periods, never accounting for more than 2.6 percent of total imports of teakettles, as shown in table 6.

U.S. imports from Taiwan of all porcelain-on-steel cooking ware increased from 2.1 million units, valued at $7.4 million, in 1982, to 7.5 million units, valued at $25.6 million, in 1984, or by 261.6 percent. From January-September 1984 to January-September 1985, imports from Taiwan declined by 13.9 percent. Taiwan's share of total U.S. imports was 19.1 percent in 1982, 37.3 percent in 1983, 41.5 percent in 1984, and 36.4 percent in January-September 1985.

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Imports from Taiwan of porcelain-on-steel teakettles increased from 945,000 units, valued at $3.8 million, in 1982 to 2.8 million units, valued at $11.3 million, in 1984, an increase of 199 percent. From January-September 1984 to January-September 1985, however, imports of teakettles from Taiwan declined by 43.7 percent.

U.S. Consumption

U.S. consumption of all types of porcelain-on-steel cooking ware increased by 21.4 percent from 1982 to 1984, but then declined by 4.0 percent from January-September 1984 to January-September 1985 (table 8). The trend for teakettles is similar. Consumption of these articles increased by 43.2 percent from 1982 to 1984, and then declined by 22.4 percent from January-September 1984 to January-September 1985. The extent to which sales of cooking ware made of other raw materials may have displaced those made of porcelain-on-steel is unknown.

Market penetration of imports

All sources.--The share of U.S. consumption accounted for by imports of porcelain-on-steel cooking ware increased from * * * percent in 1982 to * * * percent in 1984, and from * * * percent in January-September 1984 to * * * percent in January-September 1985 (table 8). Imports of porcelain-on-steel teakettles accounted for * * * percent of consumption in 1982, increased to * * * percent in 1983, and then declined to * * * percent in 1984. From January-September 1984 to January-September 1985, the ratio of imports of teakettles to consumption declined from * * * percent to * * * percent.

Countries under investigation.--As a share of consumption, cumulative imports from Mexico, China, and Taiwan of all types of porcelain-on-steel cooking ware increased from * * * percent in 1982 to * * * percent in 1984 and from * * * percent in January-September 1984 to * * * percent in January-September 1985. (If General Housewares' imports * * * are excluded, the ratio of imports to consumption is reduced to * * *). General Housewares' share of consumption declined from * * * percent to * * * percent, and from *** percent to * * * percent in the same periods, respectively. With respect to teakettles, the ratio of imports to consumption for these countries combined increased from * * * percent in 1982 to * * * percent in 1984, but declined from * * * percent in January-September 1984 to * * * percent in January-September 1985. Imports from other countries accounted for most of the remaining consumption. General Housewares' share of the teakettle market has been small in recent years, with its share fluctuating between * * * percent from 1982 to 1984, and then increasing from * * * percent in January-September 1984 to * * * percent in January-September 1985.

As a share of consumption imports of all porcelain-on-steel cookware from Mexico declined from * * * percent in 1982 to * * * percent in 1983, increased to * * * percent in 1984, and declined again to * * * percent in January-September 1985, compared to * * * percent in January-September 1985. * * *. The ratio of imports of teakettles from Mexico to consumption declined from * * * percent in 1982 to * * * percent in 1984, and then increased slightly from * * * percent in January-September 1984 to * * * percent in January-September 1985.

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Table 8.--Porcelain-on-steel cooking ware: Apparent U.S. consumption and ratio of imports to consumption, by type, 1982-84, January-September 1984, and January-September 1985

Item and period	Apparent U.S. consumption	Ratio (percent) of imports to consumption--					
		For Mexico	For China	For Taiwan	Total, for Mexico, China Taiwan	For all other countries	Total, for all countries
	Quantity (1,000 units)						
Teakettles:							
1982	***	***	***	***	***	***	***
1983	***	***	***	***	***	***	***
1984	***	***	***	***	***	***	***
Jan.-Sept.--							
1984	***	***	***	***	***	***	***
1985	***	***	***	***	***	***	***
All other:							
1982	***	***	***	***	***	***	***
1983	***	***	***	***	***	***	***
1984	***	***	***	***	***	***	***
Jan.-Sept.--							
1984	***	***	***	***	***	***	***
1985	***	***	***	***	***	***	***
Total:							
1982	***	***	***	***	***	***	***
1983	***	***	***	***	***	***	***
1984	***	***	***	***	***	***	***
Jan.-Sept.--							
1984	***	***	***	***	***	***	***
1985	***	***	***	***	***	***	***
	Value (1,000 dollars)						
Teakettles:							
1982	***	***	***	***	***	***	***
1983	***	***	***	***	***	***	***
1984	***	***	***	***	***	***	***
Jan.-Sept.--							
1984	***	***	***	***	***	***	***
1985	***	***	***	***	***	***	***
All other:							
1982	***	***	***	***	***	***	***
1983	***	***	***	***	***	***	***
1984	***	***	***	***	***	***	***
Jan.-Sept.--							
1984	***	***	***	***	***	***	***
1985	***	***	***	***	***	***	***
Total:							
1982	***	***	***	***	***	***	***
1983	***	***	***	***	***	***	***
1984	***	***	***	***	***	***	***
Jan.-Sept.--							
1984	***	***	***	***	***	***	***
1985	***	***	***	***	***	***	***

1/ If General Housewares' imports * * *.
2/ If General Housewares' imports * * *.
3/ * * *

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

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Imports of all porcelain-on-steel cooking ware from China increased from * * * percent of consumption in 1982 to * * * percent in 1984, and then to * * * percent in January-September 1985, compared to * * * percent in the same period of 1984. The ratio of imports of teakettles from China to consumption decreased from * * * percent in 1982 to * * * percent in 1984, and then increased from less than * * * percent in January-September 1984 to * * * percent in January-September 1985.

Imports of all porcelain-on-steel cooking ware from Taiwan increased from * * * percent of consumption in 1982 to * * * percent in 1984, and then declined from * * * percent in January-September 1984 to * * * percent in January-September 1985. The ratio of imports of teakettles from Taiwan to consumption increased from * * * percent in 1982 to * * * percent in 1984, and then declined from * * * percent in January-September 1984 to * * * percent in January-September 1985.

Prices

Prices of porcelain-on-steel cooking ware are typically quoted annually and on a per unit basis to retailers and wholesalers. General Housewares' transaction prices are based on list prices and are reported f.o.b. factory (Terre Haute) with the customer paying shipping costs. * * *.

Importers reported various policies for pricing porcelain-on-steel cooking ware items. * * *. Importers which included data on shipping costs indicated that, generally, porcelain-on-steel cooking ware is shipped to their customers with the freight prepaid. One importer, however, reported that customers pay shipping costs, at an average of 7 percent of sale cost, based on destination. General Housewares' data indicate that shipping costs for domestically produced porcelain-on-steel cooking ware averaged * * * percent of the sale price. 1/

Neither General Housewares nor importers reported any seasonality in sales or prices of porcelain-on-steel cooking ware. The domestic producer stated that while some products do show seasonal sales, such as those used for canning, overall, seasonality does not appear to have an effect on prices of cooking ware.

Prices for porcelain-on-steel cooking ware were requested from the petitioner and 12 importers. Several representative large volume articles, drawn from more than 500 different cooking-ware items, were selected for price comparisons. Prices were requested on sales direct to retailers for the following items:

1/ A spokesman for General Housewares stated that shipping costs of * * * percent of the selling price is a more representative range, because the amount will vary with differences in final destination and quantity.

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Product 1- 2-quart teakettle with wooden or phenolic handle and/or knob and decal.
Product 2- Least expensive decorated seven-piece set, with stainless steel rims on vessel and cover, phenolic handles and decals, 19-22 gauge, including a 1-2 quart saucepan, a 2-3 quart saucepan, a 4 1/2-5 quart covered dutch oven and a 8-10 inch open skillet.
Product 3- Oval covered roaster, 18"x12"x7" (or closest equivalent), single coat speckled.
Product 4- Open rectangular roasting pan, 13"x8"x5" (or closest equivalent), single coat speckled.

The staff received usable questionnaires from the petitioner and seven importers. While several importers reported importing porcelain-on-steel cooking ware during the period under investigation, import pricing information was limited to prices of teakettles from Taiwan and China, decorated seven-piece sets from Taiwan, and the oval covered roaster from Mexico. Data indicate that while prices of some porcelain-on-steel cooking ware items have remained stable, others have fluctuated considerably from January 1983 to September 1985.

General Housewares.--From January-March 1983 to July-September 1984, General Housewares * * *. The teakettle prices and other prices shown in table 9 are only for those items which General Housewares manufactured in the United States.

Prices for the least expensive decorated seven-piece set * * *. General Housewares' prices for oval covered roasters, 18"x12"x7", * * *.

* * * * * * *

Imports.--Price data for porcelain-on-steel cooking ware from Mexico, Taiwan, and China were incomplete, with most importers reporting average annual rather than quarterly prices. In general, prices for imports remained relatively stable throughout the period for which data were collected; however, there is some variation from importer to importer (tables 10 and 11).

Several importers reported sales of cooking ware for supermarket continuity, or traffic, programs. These programs seek to draw customers by offering a different cooking ware item each week until a customer collects a complete set of cooking ware. Generally, retailers will begin these promotions with a low priced saucepan, then each week offer products of progressively increasing cost in an effort to develop and maintain consumer interest in their stores.

Mexico.--Two importers reported prices for the oval covered roaster and a seven-piece set. Prices for the oval covered roaster increased from * * * in 1983 to * * * in 1984 and increased again in 1985 to * * *. Prices for the Mexican-produced oval roasters were consistently below those produced by General Housewares.

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Table 9.--Porcelain-on-steel cooking ware: General Housewares' prices 1/ for certain articles, by quarters, January 1983-September 1985

(Price per unit)

Period	2-quart teakettle	7-piece set	Oval covered roaster	Open rectangular roaster	
				18 x 12 x 2 1/4	15 1/2 x 10 3/4 x 3 1/2
1983:					
Jan.-March	2/ ***	***	***	***	***
April-June	2/ ***	***	***	***	***
July-Sept	2/ ***	***	***	***	***
Oct.-December	2/ ***	***	***	***	***
1984:					
Jan.-March	2/ ***	***	***	***	***
April-June	2/ ***	***	***	***	***
July-Sept	2/ ***	***	***	***	***
Oct.-December	***	***	***	***	***
1985:					
Jan.-March	***	***	***	***	***
April-June	***	***	***	***	***
July-Sept	***	***	***	***	***

1/ Net price f.o.b. point of shipment for the largest quarterly sale.
2/ 1 1/2 quart teakettle.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 10.--Porcelain-on-steel teakettles: General Housewares' and importers' prices 1/, by importers, countries, and quarters, January 1983-September 198:

(Price per unit)

Period	General Housewares	Importers from Taiwan				Importers from China
		***	***	***	***	***
1983:						
Jan.-March	3/ ***	***	***	***	***	***
April-June	3/ ***	***	***	***	***	***
July-Sept	3/ ***	***	***	***	***	***
Oct.-December	3/ ***	***	***	***	***	***
1984:						
Jan.-March	3/ ***	***	***	***	***	***
April-June	3/ ***	***	***	***	***	***
July-Sept	3/ ***	***	***	***	***	***
Oct.-December	***	***	***	***	***	***
1985:						
Jan.-March	***	***	***	***	***	***
April-June	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***

1/ Actual price net f.o.b. point of shipment for the largest quarterly sale.
2/ No prices reported.
3/ 1 1/2 quart teakettle.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 11.--Porcelain-on-steel 7-piece sets: General Housewares and importers' prices 1/, by importers, countries, and quarters, January 1983-September 1985

(Price per unit)

Period	General Housewares	Taiwan		Mexico
		*** 2/	***	***
1983:				
Jan.-March	***	***	***	***
April-June	***	***	***	***
July-Sept	***	***	***	***
Oct.-December	***	***	***	***
1984:				
Jan.-March	***	***	***	***
April-June	***	***	***	***
July-Sept	***	***	***	***
Oct.-December	***	***	***	***
1985:				
Jan.-March	***	***	***	***
April-June	***	***	***	***
July-Sept	***	***	***	***

1/ Actual price net f.o.b. point of shipment for the largest quarterly sale.
2/ ***.
3/ No prices reported.
4/ No products imported.
5/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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* * * * * * *

A third importer of Mexican-produced cooking ware provided prices for a 2-1/2 quart teakettle. The price for this article was * * * each, or * * * each if * * *.

Taiwan.--Four firms reported prices for 2-quart teakettles. Data from two of these importers indicate that prices fell from January-March 1983 to July-September 1985. * * * reported an average annual price for 1983 of * * *, with prices decreasing in the following two years to * * * and * * * respectively. * * * imported teakettles of the requested specification from October-December 1984 through April-June 1985. Its prices remained steady at * * * from October-December 1984 to January-March 1985 and then declined to * * * in April-June 1985. * * * reported prices on teakettles ranging from * * * in January-March 1983 to * * * throughout 1984 and 1985.

* * * prices for 2-quart teakettles increased in January 1983-September 1985. For the most part prices remained stable at * * * per unit from January-March 1983 to January-March 1985. Prices increased in April-June 1985 to * * * before decreasing to * * * in July-September 1985. 1/

The 2-quart teakettles produced in Taiwan have been priced above those of General Housewares in the domestic market since General Housewares began production of an identical size teakettle in * * *.

Two importers reported imports of 7-piece sets from Taiwan (table 11); however, one--* * *. Data from * * * indicated fluctuating prices, ranging from * * * in January-March 1984 to * * * in April-June 1984 and January-September 1985.

From October-December 1983 through the corresponding period in 1984, * * * sold seven-piece sets from Taiwan at prices ranging from * * * to * * * percent below those produced by General Housewares. From January-March to July-September 1985, however, General Houseware's prices were about * * * percent above those of * * *.

China.--One firm, * * *, reported importing 2-quart teakettles from October-December 1984 to July-September 1985 (table 10). The price of these teakettles was * * * during this period. Domestically-produced 2-quart teakettles were priced significantly below those produced in China, as shown in table 10.

Additional items for price comparison.--Following the Commission's conference for these investigations, staff requested that General Housewares and importers submit pricing information for several other articles of porcelain-on-steel cooking ware. In response General Housewares and three importers of porcelain-on-steel cooking ware submitted price lists, effective in December 1985. The prices for each article, by responding firm, are shown in the tabulation below:

1/ * * *.

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Article	***	***	***	***
Tapered saucepan set (2-piece)	***	***	***	***
Tapered saucepan set (3-piece)	***	***	***	***
Covered stewpot (7 1/2 qt.)	***	***	***	***
Covered stewpot (11 1/2 qt.)	***	***	***	***
Covered stewpot (19 qt.)	***	***	***	***
Covered stock pot (16 qt. 4 oz.)	***	***	***	***
Covered cooker (7 qt. 4 oz.)	***	***	***	***
5-pc. everything pot	***	***	***	***

Exchange rates

Quarterly data reported by the International Monetary Fund indicate that from January 1983 through September 1985 the nominal value of the New Taiwan dollar and the Mexican peso depreciated relative to the U.S. dollar by 0.6 percent and 61.3 percent, respectively (table 12). 1/ After adjustment for relative differences between inflation rates over the 10-quarter period ending June 1985, the real value of the Taiwan currency depreciated by 3.5 percent relative to the U.S. dollar. This compares with an appreciation of 0.3 percent as measured by the nominal exchange rate.

For the peso the trend was reversed. Mexico's higher inflation rate relative to that in the United States offset the impact of depreciating nominal exchange rates during most of the period. The real exchange rate appreciated sharply from January 1983 to March 1985 by 40.3 percent and then depreciated by 0.1 percentage point in April-June as opposed to the nominal depreciation of 53.3 percent during this period.

The value of the currency of the People's Republic of China is determined by the Chinese government rather than the free market. Therefore, measures of China's exchange rate are not presented.

1/ International Financial Statistics, November 1985, except as stated.

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Table 12.--Nominal exchange-rate 1/ equivalents of the New Taiwan dollar and the Mexican peso in U.S. dollars, real exchange-rate equivalents, and producer price indicators in the United States, Taiwan, and Mexico, 2/ indexed by quarters, January 1983-September 1985

Period	U.S. Producer Price Index	Taiwan			Mexico		
		Producer Price Index	Nominal exchange-rate index	Real exchange rate index 3/	Producer Price Index	Nominal-exchange-rate index	Real-exchange-rate index 3/
			US$ per NT$			US$ per Mex$	
1983:							
Jan.-Mar.	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June	100.3	100.7	99.7	100.1	121.3	89.3	108.1
July-Sept.	101.2	101.0	99.4	99.2	136.9	80.9	109.4
Oct.-Dec.	101.8	101.1	99.3	98.6	152.0	73.9	110.4
1984:							
Jan.-Mar.	102.9	101.4	99.4	98.0	181.1	68.0	119.8
Apr.-June	103.5	102.0	100.4	98.9	209.4	63.0	127.4
July-Sept.	103.3	101.4	101.9	99.9	227.1	58.7	129.1
Oct.-Dec.	103.1	100.8	101.4	99.2	251.4	54.9	134.1
1985:							
Jan.-Mar.	102.9	99.9	101.6	98.6	283.8	50.9	140.3
Apr.-June	103.0	99.1	100.3	96.5	4/309.3	46.7	140.2
July-Sept.	102.2	5/	99.4	5/	5/	38.7	5/

1/ Exchange rates expressed in U.S. dollars per unit of foreign currency.

2/ Producer-price indicators--intended to measure final product prices--are based on average quarterly indexes presented in line 63 of the International Financial Statistics.

3/ The real value of a currency is the nominal value adjusted for the difference between inflation rates as measured by the Producer Price Index in the United States and the respective foreign country. Producer prices in the United States increased 3.0 percent during the period January 1983 through June 1985 compared to a 209.3-percent increase in Mexico during the same period. In contrast, producer prices in Taiwan increased 2.0 percent during the period January 1983-June 1984 and then fell 2.8 percent during the period July 1984-June 1985.

4/ Preliminary.

5/ Not available.

Source: International Monetary Fund, International Financial Statistics, November 1985; Central Bank of China, Financial Statistics, September 1985.

Note.--January-March 1983=100.

Lost sales

General Housewares alleged lost sales of * * * from February through December 1985. The allegations involved several articles of porcelain-on-steel cooking ware, including roasters, teakettles, seven-piece sets, saucepans, and pots and pans. The specific source of the imports in each incidence was not submitted, although General Housewares asserts that the imports were either from Mexico, Taiwan, or China.

General Housewares alleged lost sales of * * * on sales of teakettles to * * *, during * * *. * * *, a spokesman for * * *, stated that in the * * * years during which they have been purchasing teakettles, no purchase has ever been made from General Housewares, even when * * *. * * * added that General Housewares did offer a line of teakettles to his company, but * * * never expressed an interest in their product. * * * currently purchases teakettles imported from Taiwan and Japan. * * * continued that General Housewares is price competitive with imports, but that its freight terms are not competitive because it does not prepay to customers' warehouses.

General Housewares reported lost sales on roasters valued at * * * to * * *, during * * *. * * *, a spokesman for * * *, confirmed this allegation, listing price as the predominant factor in his decision to purchase Mexican items. * * * is a distributor, purchasing porcelain-on-steel cooking ware for resale to * * *. * * * stated that his customers preferred Mexican-produced roasters, adding that these roasters were lower priced, were less likely to chip than General Housewares' roasters, and had fewer defects due to shipping than did General Housewares' products. * * * added that freight was prepaid for the Mexican product when a minimum of one container load was purchased.

General Housewares alleged lost sales totaling * * * on sales of roasters to * * * in * * *. * * *, of * * *, stated that he had purchased Mexican-produced roasters during autumn 1985, but he was not able to confirm the * * * quote. * * * added that while he does purchase several items from General Housewares, freight terms are better with Mexican firms. * * * also purchases * * * from Taiwan * * *.

General Housewares reported lost sales totaling * * * on sales of pots, pans and teakettles during * * * to * * *, * * *, * * *, purchaser of porcelain-on-steel cooking ware for * * * stated that this allegation was not true, adding that he had received a quote on a porcelain-on-steel cooking ware program from General Housewares, but chose not to pursue this program. * * * said that while * * * does purchase porcelain-on-steel cooking ware from Taiwan, he did not award the above mentioned program to any importer. * * * commented that porcelain-on-steel cooking ware is not readily available in the U.S. because there is only one producer, and that the quality of the domestically-produced items is not as good, at specific price levels, as foreign-produced items.

General Housewares reported lost sales of * * * in saucepans, pots, and roasters in * * * to * * *. * * *, a spokesman for * * *, stated that he has never purchased imported porcelain-on-steel cooking ware, nor has he received price quotes on imported products.

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General Housewares alleged lost sales totaling * * * in sales of saucepans and pots to * * *, in * * *. * * *, a purchaser for * * *, commented that while General Housewares had presented their line of porcelain-on-steel cooking ware to * * *, a purchase was never considered because General Housewares' prices were too high. * * * purchases imported cooking ware from Korea, Taiwan, Mexico, Spain, and a number of other countries. * * * commented that * * * if imported cooking ware was not available at low prices, the store would not carry any items.

General Housewares alleged lost sales totaling * * * on sales of pots, saucepans, and seven-piece sets in * * * to * * *. * * *, a purchaser for * * * stated that he received no price quotes from General Housewares in * * *, adding that * * * has not purchased any of General Housewares' cooking ware for several months because of high price points. * * * do stock a Taiwan-produced porcelain-on-steel item, but * * * states that it was not one of the items mentioned in the allegation.

General Housewares alleged lost sales in 1985 totaling * * * to * * *. * * *, would not comment on the allegation over the telephone.

Staff attempts to contact the following companies for information as to lost sales were unsuccessful: * * *. Alleged lost sales with respect to these companies totaled * * *.

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APPENDIX A

COMMERCE'S AND COMMISSION'S FEDERAL REGISTER NOTICES

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[Investigations Nos. 701-TA-285-286 (Preliminary) and 731-TA-297-299 (Preliminary)]

Porcelain-on-Steel Cooking Ware From Mexico, the People's Republic of China, and Taiwan

AGENCY: International Trade Commission.

ACTION: Institution of preliminary countervailing duty and antidumping investigations and scheduling of a conference to be held in connection with these investigations.

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-285-286 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is

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materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Mexico and Taiwan of cooking ware, including teakettles, not having self-contained electric heating elements, all the foregoing of steel and enameled or glazed with vitreous glasses (porcelain), provided for in item 654.06 of the Tariff Schedules of the United States, except kitchen ware (currently reported under item 654.0828 of the Tariff Schedules of the United States Annotated), which are alleged to be subsidized by the Governments of Mexico and Taiwan. As provided in section 703(a), the Commission must complete preliminary countervailing duty investigations in 45 days, or in these cases by January 21, 1986.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-297-299 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Mexico, The People's Republic of China, and Taiwan of cooking ware, including teakettles, not having self-contained electric heating elements, all the foregoing of steel and enameled or glazed with vitreous glasses (porcelain), provided for in item 654.06 of the Tariff Schedules of the United States, excluding kitchen ware (currently reported under item 654.0828 of the Tariff Schedules of the United States Annotated), which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in these cases by January 21, 1986.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and E (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201).

EFFECTIVE DATE: December 4, 1985.

FOR FURTHER INFORMATION CONTACT: Larry Reavis (202-523-0296) or Vera Libeau (202-523-0368), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to petitions filed on December 4, 1985, by General Housewares Corp., Terre Haute, IN.

Participation in the investigations.—Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service list.—Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each document filed by a party to these investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Conference.—The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on December 27, 1985, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, DC. Parties wishing to participate in the confernece should contact Vera Libeau (202-523-0368) not later than December 23, 1985, to arrange for their appearance. Parties in support of the imposition of countervailing and/or antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written submissions.—Any person may submit to the Commission on or before January 2, 1985, a written statement of information pertinent to the subject of these investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6).

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

By order of the Commission.

Issued: December 9, 1985.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-29505 Filed 12-11-85; 8:45 am]

BILLING CODE 7020-02-M

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International Trade Administration

[A-570-506]

Porcelain-on-Steel Cooking Ware From the People's Republic of China; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether porcelain-on-steel cooking ware from the People's Republic of China ("PRC") is being, or is likely to be sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before January 21, 1986, and we will make ours on or before May 13, 1986.

EFFECTIVE DATE: December 31, 1985.

FOR FURTHER INFORMATION CONTACT: Charles Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-5288.

SUPPLEMENTARY INFORMATION:

The Petition

On December 4, 1985, we received a petition filed by the Porcelain-on-Steel Committee of the Cookware Manufacturers Association and General Housewares Corp. on behalf of the U.S. industry producing porcelain-on-steel cooking ware. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of this merchandise from the People's Republic of China are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended ("the Act"), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioners supporting the allegations. We have examined the petition on porcelain-on-steel cooking ware from the PRC and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether porcelain-on-steel cooking ware from the PRC is being, or is likely to be, sold in the United States at less than fair value. In the course of our investigation, we will determine whether the economy of the PRC is state-controlled to an extent that sales of such or similar merchandise in the home market or to third country markets do not permit determination of foreign market value. If it is determined to be a state-controlled economy, we will then choose a non-state-controlled economy surrogate country for purposes of determining foreign market value. If our investigation proceeds normally, we will make our preliminary determination by May 13, 1986.

Scope of Investigation

The products covered by this investigation are porcelain-on-steel cooking ware including tea kettles, which do not have self-contained electric heating elements. All of the foregoing are constructed of steel, and are enameled or glazed with vitreous glasses. These products are provided for in items 654.0815, 654.0824, and 654.0827 of the *Tariff Schedule of the United States Annotated (TSUSA)*. Kitchenware, which is currently reported under item 654.0828 of the TSUSA, is not subject to this investigation.

United States Price and Foreign Market Value

United States price was derived from Customs FOB value per unit and per pound of porcelain-on-steel cooking ware from the PRC. Petitioners, alleging that the PRC is a state-controlled-economy country, derived foreign market value from information on the Customs values per unit and per pound for porcelain-on-steel cooking ware from Singapore and Thailand, in accordance with the provisions of 19 CFR 353.36(a)(8). Petitioners selected Sinagpore and Thailand as possible surrogate countries because they export the product named in the petition to the United States and because the Department has expressed a willingness to use them as surrogates for the PRC in past investigations. Based on their calculations using these figures, petitioners allege a dumping margin ranging from 95 percent to 710 percent if calculated on the basis of unit value, and from 58 percent to 112 percent if calculated on the basis of value per pound.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 21, 1986, whether there is a reasonable indication that imports of porcelain-on-steel cooking ware from the People's Republic of China materially injure, or threatening injury to, a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

December 24, 1985.

[FR Doc. 85-30921 Filed 12-30-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-201-504]

Porcelain-on-Steel Cooking Ware From Mexico; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import, Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the Department of Commerce, we are initiating an antidumpting duty investigation to determined whether porcelain-on-steel cooking ware from Mexico is being, or is likely to be sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its

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preliminary determination on or before January 21, 1986, and we will make ours on or before May 13, 1986.

EFFECTIVE DATE: December 31, 1985.

FOR FURTHER INFORMATION CONTACT: Charles Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-5288.

SUPPLEMENTARY INFORMATION:

The Petition

On December 4, 1985, we received a petition filed in proper form on behalf of the Porcelain-on-Steel Committee of the Cookware Manufacturers Association and General Housewares Corp. with respect to porcelain-on-steel cooking ware from Mexico. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of porcelain-on-steel cooking ware from Mexico are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioners supporting the allegations. We have examined the petition on porcelain-on-steel cooking ware from Mexico and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether porcelain-on-steel cooking ware from Mexico is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by May 13, 1986.

Scope of Investigation

The products covered by this investigation are porcelain-on-steel cooking ware including tea kettles, which do not have self-contained electric heating elements. All of the foregoing are constructed of steel, and are enameled or glazed with vitreous glasses. These products are currently provided for in items 654.0815, 654.0824, and 654.0827 of the *Tariff Schedule of the United States Annotated (TSUSA)*. Kitchenware, currently reported under item 654.0828 of the *TSUSA* is not subject to this investigation.

United States Price and Foreign Market Value

In its sales at less than fair value allegation, the petitioners based United States price on price quotations, FOB Nuevo Laredo, from the two possible respondents. Foreign market value is based on home market prices of the possible respondent, FOB factory. Based on the comparison of United States price and foreign market value, petitioners allege dumping margins ranging from ten percent to 131 percent.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms in writing that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 21, 1986, whether there is a reasonable indication that imports of porcelain-on-steel cooking ware from Mexico materially injure, or threaten material injury to, a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

December 24, 1985.

[FR Doc. 85-30923 Filed 12-30-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-583-508]

Porcelain-on-Steel Cooking Ware From Taiwan; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether porcelain-on-steel cooking ware from Taiwan is being, or is likely to be sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before January 21, 1986, and we will make ours on or before May 13, 1986.

EFFECTIVE DATE: December 31, 1985.

FOR FURTHER INFORMATION CONTACT: Charles Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-5288.

SUPPLEMENTARY INFORMATION:

The Petition

On December 4, 1985, we received a petition filed on behalf of the Porcelain-on-Steel Committee of the Cookware Manufacturers Association and General Housewares Corp. with respect to porcelain-on-steel cooking ware from Taiwan. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of this merchandise are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on porcelain-on-steel cooking ware and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether porcelain-on-steel cooking ware from Taiwan is being, or is likely to be, sold

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in the United States at less than fair value. If our investigation proceeds normally we will make our preliminary determination on or before May 13, 1986.

Scope of Investigation

The products covered by this investigation are porcelain-on-steel cooking ware including tea kettles, which do not have self-contained electric heating elements. All of the foregoing are constructed of steel, and are enameled or glazed with vitreous glasses. These products are provided for in items 654.0815, 654.0824, and 654.0827 of the *Tariff Schedule of the United States Annotated (TSUSA)*. Kitchenware currently reported under item 654.0828 of the *TSUSA* is not subject to this investigation.

United States Price and Foreign Market Value

Petitioners based United States price on price quotations by Taiwanese exporters for sales to unrelated purchasers. Petitioners based foreign market value on both constructed value and, in the case of two companies with significant home market sales, on actual home market prices. Based on the comparison of actual home market prices and United States price, petitioners allege dumping margins ranging from 7 percent to 65 percent. Based on the comparison of the constructed value and United States price, petitioners allege dumping margins ranging from 21 percent to 70 percent.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 21, 1986, whether there is a reasonable indication that imports of porcelain-on-steel cooking ware from Taiwan materially injure, or threatening material injury to, a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

December 24, 1985.

[FR Doc. 85-30922 Filed 12-30-85; 8:45 am]

BILLING CODE 3510-DS-M

[C-853-509]

Initiation of Countervailing Duty Investigation; Porcelain-On-Steel Cooking Ware From Taiwan

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers or exporters in Taiwan of porcelain-on-steel cooking ware, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Taiwan materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before January 21, 1986.

If our investigation proceeds normally, we will make a preliminary determination on or before February 27, 1986.

EFFECTIVE DATE: December 31, 1985.

FOR FURTHER INFORMATION CONTACT: Barbara Tillman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-2438.

SUPPLEMENTARY INFORMATION:

The Petition

On December 4, 1985, we received a petition in proper form filed by the Porcelain-On-Steel Committee of the Cookware Manufacturers Association and the General Housewares Corporation. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers or exporters in Taiwan of porcelain-on-steel cooking ware receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to, a U.S. industry producing a like product.

Since Taiwan is entitled to an injury determination under section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from Taiwan materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on porcelain-on-steel cooking ware from Taiwan and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers or exporters in Taiwan of porcelain-on-steel cooking ware, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before February 27, 1986.

Scope of Investigation

The products covered by this investigation are porcelain-on-steel cooking ware, including teakettles, which do not have self-contained electric heating elements. All of the foregoing are constructed of steel, and are enameled or glazed with vitreous glasses. These products are provided for in items 654.0815, 654.0324 and 654.0827 of the *Tariff Schedules of the United States Annotated (TSUSA)*. Kitchen ware, currently provided for under item 654.0828 of the *TSUSA*, is not subject to this investigation.

Allegations of Subsidies

The petition lists a number of practices by the Taiwan authorities which allegedly confer subsidies on manufacturers, producers or exporters in Taiwan of porcelain-on-steel cooking ware. We are initiating an investigation on the following programs:

- Preferential Export Financing.
- Export Loss Reserves.
- Domestic Benefits under the Statute for Encouragement of Investment:

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• Accelerated Depreciation and Tax Holidays;

• Duty Exemptions and Deferral on Imported Equipment;

• Preferential Long-Term Loans;

• Preferential Income Tax Rate Ceiling of 22 Percent.

We are not initiating an investigation on the following programs:

• Tax Exemptions for Export Sales.

• Tax Deduction for Investment in Production Equipment.

• Domestic Benefits under the Statute for Encouragement of Investment—Preferential Income Tax Rate Ceiling of 25 Percent.

These programs were determined not to confer subsidies in *Final Negative Countervailing Duty Determination: Welded Carbon Steel Line Pipe from Taiwan* (signed on December 23, 1985). Under the Act, the non-excessive remission of indirect taxes is not considered a subsidy. The rebate or exemption conferred by Tax Exemptions for Export Sales does not exceed the amount of tax borne by goods sold domestically. Therefore, this program does not confer countervailable benefits within the meaning of the countervailing duty law. The benefits conferred by Tax Deduction for Investment in Production Equipment, and Preferential Income Tax Rate Ceiling of 25 percent, are not limited to an industry or enterprise or group of industries or enterprises. Therefore, these programs do not confer countervailable benefits within the meaning of the countervailing duty law.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 21, 1986, whether there is a reasonable indication that imports of porcelain-on-steel cooking ware from Taiwan materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

This notice is published pursuant to section 702(C)(2) of the Act.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration

December 24, 1985.

[FR Doc. 85-30825 Filed 12-30-85; 8:45 am]

BILLING CODE 3510-DS-M

[C-201-505]

Initiation of Countervailing Duty Investigation; Porcelain-On-Steel Cooking Ware From Mexico

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Mexico of porcelain-on-steel cooking ware, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Mexico materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before January 21, 1986. If our investigation proceeds normally, we will make our preliminary determination on or before February 27, 1986.

EFFECTIVE DATE: December 31, 1985.

FOR FURTHER INFORMATION CONTACT: Barbara Tillman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-2438.

SUPPLEMENTARY INFORMATION:

The Petition

On December 4, 1985, we received a petition in proper form filed by the Porcelain-On-Steel Committee of the Cookware Manufacturers Association and the General Housewares Corporation. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Mexico of porcelain-on-steel cooking ware receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to, a U.S. industry producing a like product.

On April 23, 1985, the Office of the United States Trade Representative announced that Mexico is a "country under the Agreement", within the meaning of section 701(b)(2) of the Act. Consequently, Title VII of the Act applies to this investigation and the ITC is required to determine whether imports of the subject merchandise from Mexico materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on porcelain-on-steel cooking ware from Mexico and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Mexico of porcelain-on-steel cooking ware, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before February 27, 1986.

Scope of Investigation

The products covered by this investigation are porcelain-on-steel cooking ware, including teakettles, which do not have self-contained electric heating elements. All of the foregoing are constructed of steel, and are enameled or glazed with vitreous glasses. These products are provided for in items 654.0815, 654.0824, and 654.0827 of the *Tariff Schedules of the United States, Annotated.* Kitchen ware, currently reported under item 654.0828 of the *TSUSA*, is not subject to this investigation.

Allegations of Subsidies

The petition lists a number of practices by the government of Mexico which allegedly confer subsidies on manufacturers, producers, or exporters in Mexico of porcelain-on-steel cooking ware. We are initiating an investigation on the following programs:

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- Fund for the Promotion of Exportation of Mexican Manufactured Products (FOMEX).
- Preferential Federal Tax Credits (CEPROFI).
- Fund for Industrial Development (FONEI).
- Energy Discounts and Rebates.
- Guarantee and Development Fund for Medium and Small Industries (FOGAIN).
- Article 94 Loans.
- Accelerated Depreciation Allowances.
- Import Duty Reductions and Exemptions.
- Preferential Vessel, Freight, Terminal and Insurance Benefits.
- Nacional Financiera, S.A., Loans (NAFINSA).
- National Fund for Industrial Development (FOMIN).
- Loans from the Mexican National Bank for Foreign Trade (BANCOMEXT).
- Export Credit Insurance.
- Trust For Industrial Parks, Cities, and Commercial Centers (FIDEIN).
- The Mexican Institute of Foreign Trade (IMCE).
- Port Facilities.
- New Exchange Risks Trust Fund Program (FICORCA).
- Preferential State Investment Incentives.

Although not specifically alleged by petitioners, we are initiating an investigation to ascertain whether the Mexican porcelain-on-steel cooking ware industry receives any benefits under the following programs:

- Foreign Currency Financing of Imports (PROFIDE).
- Government-Financed Technology Development.

Based on information available to the Department, we are also initiating an investigation on the following programs to determine whether they may constitute subsidies and whether they benefit the porcelain-on-steel cooking ware industry:

- Drawback Adjusted for Changes in Exchange Rates.
- Temporary Importation Scheme.

We are not initiating an investigation on the following program:

- National Preinvestment Fund for Studies and Projects (FONEP):

Petitioners allege that the Mexican government provides financing for economic, technical, and feasibility studies through FONEP, which is administered by the national development bank (NAFINSA). In the *Final Affirmative Countervailing Duty Determination: Bars and Shapes from Mexico* (49 FR 32889) (August 17, 1984), the Department ruled that such loans are available to all companies in Mexico and are not limited to a specific enterprise or industry, or group of enterprises or industries. Because petitioners have not presented any new information or alleged changed circumstances with respect to FONEP, we are not initiating on this program.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all non-privileged and non-confidential information. We also will allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 21, 1986, whether there is a reasonable indication that imports of porcelain-on-steel cooking ware from Mexico materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to statutory procedures.

This notice is published pursuant to section 702(C)(2) of the Act.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

December 24, 1985.

[FR Doc. 85-30924 Filed 12-30-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-533-502]

Certain Welded Carbon Steel Standard Pipe and Tube From India; Preliminary Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: We have preliminarily determined that certain welded carbon steel standard pipe and tube (standard pipe and tube) from India are being, or are likely to be, sold in the United States at less than fair value and that critical circumstances do not exist with respect to imports of this merchandise for two respondents (Gujarat and Zenith) and do exist for the third (TISCO). We have notified the U.S. International Trade Commission (ITC) of our determination, and we have directed the U.S. Customs Service to suspend liquidation of all entries of the subject merchandise as described in the "Suspension of Liquidation" section of this notice. If this investigation proceeds normally, we will make a final determination by March 10, 1986.

EFFECTIVE DATE: December 31, 1985.

FOR FURTHER INFORMATION CONTACT: John Brinkmann or Terri A. Feldman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-3965 or (202) 377-0180.

SUPPLEMENTAL INFORMATION:

Preliminary Determination

Based upon our investigation, we have preliminarily determined that standard pipe and tube from India are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733(b) (19 U.S.C. 1673b(b)) of the Tariff Act of 1930, as amended (the Act). The margins preliminarily found for all companies investigated are listed in the "Suspension of Liquidation" section of this notice.

If this investigation proceeds normally, we will make a final determination by March 10, 1986.

Case History

On July 16, 1985, we received a petition in proper form filed by the Standard Pipe and Tube Subcommittee of the Committee on Pipe and Tube Imports (CPTI), and by each of the member companies who produce standard pipe and tube. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from India are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act and that these imports are materially injuring, or threatening material injury to, a United States industry.

After reviewing the petition, we determined that it contained sufficient grounds upon which to initiate an antidumping duty investigation. We notified the ITC of our action and initiated such an investigation on August 9, 1985 (50 FR 32244). On August 30, 1985, the ITC determined that there is a reasonable indication that imports of standard pipe and tube are materially injuring, or threatening material injury to, a U.S. industry (50 FR 37068).

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APPENDIX B

LIST OF WITNESSES AT THE COMMISSION'S CONFERENCE

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CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-265 and 266 and
731-TA-297, 298 and 299 (Preliminary)

PORCELAIN-ON-STEEL COOKING WARE FROM MEXICO,
THE PEOPLE'S REPUBLIC OF CHINA, AND TAIWAN

Those listed below appeared at the United States International Trade Commission conference in connection with the subject investigations held on December 27, 1985, in the Hearing Room of the USITC Building, 701 E Street, N.W., Washington, D.C.

In support of the imposition of countervailing and antidumping duties

Kilpatrick & Cody--Counsel
Washington, DC
on behalf of

General Housewares Corp.

Gary L. Riley, President, Cookware Group, General Housewares Corp.

Joseph W. Dorn)
Martin M. McNerney) --OF COUNSEL

In opposition to the imposition of countervailing and antidumping duties

Adduci, Dinan & Mastriani
Washington, DC
on behalf of

Cinsa, S.A.
Troqueles y Esmaltes, S.A.
Normandy Distributors, Inc.
Remco/Vandel
J.M.P.-Newcor Inc.

Leonard Fritz, President, Normandy Distributors Inc.

Stephen Melzer, Remco/Vandel

Leslie Alan Glick--OF COUNSEL

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Ablondi & Foster, P.C.
Washington, DC
on behalf of

Manufacturers of porcelain-on-steel cookware in Taiwan

F. David Foster)
Sturgis M. Sobin) —OF COUNSEL

Bregman, Abell, Kay & Simon
Washington, DC
on behalf of

M. Kamenstein, Inc.

David Simon—OF COUNSEL

Weil, Gotshal & Manges
Washington, DC
on behalf of

China National Light Industrial Products
Import and Export Corp.

Jeffrey P. Bialos—OF COUNSEL

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